

May 10, 2002

**Filed Electronically**

Marlene H. Dortch  
Secretary  
Federal Communications Commission  
445 12th Street, S.W.  
Washington, D.C. 20554

**Re: Ex Parte – Consolidated Application of EchoStar Communications Corporation, General Motors Corporation, and Hughes Electronics Corporation for Authority to Transfer Control, CS Docket No. 01-348**

Dear Ms. Dortch:

Pursuant to Section 1.1206 of the Commission's Rules, 47 C.F.R. § 1.1206, and Public Notice DA 01-3005 (released December 21, 2001), World Satellite Network, Inc. ("WSNet") submits this letter to disclose a meeting that representatives of WSNet had with the following personnel of the Federal Communications Commission (the "Commission" or "FCC"): Barbara Esbin (Media Bureau); David Sappington (Office of Plans and Policy); Jim Bird (Office of General Counsel); Marilyn Simon (International Bureau); Harry Wingo (Office of General Counsel); Neil Dellar (Office of General Counsel); Joel Rabinovitz (Office of General Counsel); Julius Knapp (Office of Engineering and Technology); Joan Lucanik (International Bureau); and, Marcia Glauberman (Media Bureau). On behalf of WSNet, Amy Mehlman, James F. Green, James U. Troup, and I, Jared Abbruzzese, Chairman of WSNet, met with the Commission's personnel on Thursday, May 9, 2002.

At the meeting we discussed WSNet's written ex parte presentation that was filed with the Commission on May 3, 2002 and which was also distributed at the meeting. In its written ex parte presentation, which is attached hereto, WSNet proposed language for a condition to be included in any FCC order approving the proposed acquisition of Hughes Electronics Corporation by EchoStar Communications Corporation in the above referenced docket. The Commission's staff indicated that the language was too narrow and that WSNet should submit revised language that is broader in scope. WSNet will, in the very near future, provide the Commission with revised language for conditioning an order granting approval of the proposed transaction.

Respectfully submitted,

/s/

Jared Abbruzzese  
Chairman  
World Satellite Network, Inc.  
11044 Research Boulevard  
Suite C-500  
Austin, Texas 78759

Cc: Qualex International  
Linda Senecal, FCC

Royce Sherlock, FCC  
Marcia Glauberman, FCC  
Barbara Esbin, FCC  
David Sappington, FCC  
JoAnn Lucanik, FCC  
Douglas Webbink, FCC  
Julius Knapp, FCC  
James Bird, FCC  
W. Kenneth Ferree, FCC  
Neil Dellar, FCC  
Joel Rabanowitz, FCC  
Harry Wingo, FCC  
Marilyn Simon, FCC  
Gary M. Epstein, Counsel for General  
Motors Corporation and Hughes  
Electronics Coporation  
Pantelis Michalopoulos, Counsel for  
EchoStar Communications  
Corporation

## ATTACHMENT

May 3, 2002

**Filed Electronically**

Marlene H. Dortch  
Secretary  
Federal Communications Commission  
445 12th Street, S.W.  
Washington, D.C. 20554

**Re: Ex Parte – Consolidated Application of EchoStar Communications Corporation, General Motors Corporation, and Hughes Electronics Corporation for Authority to Transfer Control, CS Docket No. 01-348**

Dear Ms. Dortch:

Pursuant to Section 1.1206 of the Commission's Rules, 47 C.F.R. § 1.1206, and Public Notice DA 01-3005 (released December 21, 2001), World Satellite Network, Inc. ("WSNet") submits this ex parte written presentation.

As discussed in detail in its comments submitted on February 4, 2002, WSNet supports the proposed transaction because it will provide for heightened competition against the dominant cable companies in the larger markets. At the same time, however, by combining the resources of EchoStar Communications Corporation ("EchoStar") and Hughes Electronics Corporation ("Hughes"), the newly merged company ("New EchoStar") will, in addition to consolidating a vast array of C-Band, Ku-Band, and Ka-Band satellite assets, have a virtual monopoly in the provision of Direct Broadcast Satellite ("DBS") services. In terms of competition and serving the public interest, this will be detrimental to consumers in the smaller markets and rural areas. Therefore, if the transfer of control is approved, it should be modified to include conditions that would ensure competition and comprehensive programming, particularly in the smaller markets and rural areas.

WSNet is a satellite facilities-based wholesale provider of programming and digital technology services to 1,200 small private and rural cable television companies nationwide. WSNet neither provides nor intends to provide retail DBS services, but, rather, WSNet provides programming and satellite capacity to numerous retail companies on a wholesale basis. As such, WSNet provides a critical link to many communities throughout the United States, ensuring that the public in the smaller markets and rural areas are provided with advanced nationally and locally oriented multichannel video programming.

One of the primary concerns raised by those submitting comments, as well as by independent analysts, is that consumers will lack a choice of multichannel video programmers because New EchoStar will have a monopoly over DBS services, especially in the smaller markets and rural areas. In fact, there will be many parts of the country where there will be no alternative to New EchoStar for the provision of multichannel video programming. By adopting the conditions being proposed by WSNet, the Commission would be providing capacity to not just one competitor of New EchoStar, but potentially to thousands of competitors—retail companies obtaining satellite capacity and programming from WSNet on a wholesale basis. By making satellite capacity available to many retail companies via WSNet's wholesale services, the Commission would ensure that there will be a choice for consumers, especially in the smaller markets and rural areas.

At an April 11, 2002, meeting with W. Kenneth Ferree, Chief of the Media Bureau, Federal Communications Commission (the "Commission"), WSNet recommended possible conditions that the Federal Communications Commission (the "Commission") could include in an order granting the transfer of control application (see ex parte filing of April 12, 2002). WSNet recommends that, in substance, the following language be included in an order approving the transfer of control:

So as to address concerns with respect to New EchoStar gaining a monopoly over DBS services and to ensure vigorous competition in the provision of multichannel video programming, especially in the smaller markets and rural areas, we approve the transfer of control with the following condition. WSNet, a satellite facilities-based wholesale provider of DTH and digital programming services nationwide, will immediately be provided with control over 24 channels of high-powered DBS capacity for its use on an existing DBS satellite located at either 101.0 degrees W.L., 110.0 degrees W.L., or 119.0 degrees W.L. We are requiring these channels to be provided to WSNet for the provision of wholesale DTH and DBS services to be supplied to rural cable television companies, competitive retail DBS service providers and other competitive retail MVPDs. New EchoStar shall provide WSNet these channels on a satellite that is currently operational to ensure that alternative multichannel video programming services are offered in smaller markets and rural areas at the time we approve the merger of EchoStar and Hughes.<sup>1</sup>

Modification of the proposed transfer of control so as to provide WSNet with increased satellite capacity will serve the public interest. While New EchoStar is able to improve its ability to compete against the dominant cable companies in the larger markets, this additional satellite capacity will enable WSNet to counter New EchoStar's monopoly in the smaller and rural markets. The modification to the transfer of control described herein will ensure that a large number of retail companies will receive the wholesale services from WSNet necessary to compete directly against New EchoStar.

Should you have any questions with respect to this filing, please do not hesitate to contact the undersigned.

Respectfully submitted,

/s/

Jared Abbruzzese  
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<sup>1</sup> In the unlikely event that the Commission chooses to view medium-powered Ku-Band as an adequate competitive alternative to DBS service (a view that WSNet strongly opposes), then the Commission should, at a minimum, provide for WSNet to use 32 channels of capacity on an existing Ku-Band satellite at a prime full-CONUS orbital location that comes under the control of New EchoStar. Such capacity could, for example, be provided through the Galaxy XI satellite located at 91.0 degrees W.L. The Galaxy XI satellite is part of one of the world's largest satellite systems and is operated by PanAmSat Corporation, which is currently 81% owned by Hughes.

Cc: Qualex International  
Linda Senecal, FCC  
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